



# ***CITY COUNCIL AGENDA REPORT***

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MEETING DATE: May 5, 2009

ITEM NUMBER:

**SUBJECT:** COSTA MESA FIRE DEPARTMENT COST RECOVERY PROGRAM

**DATE:** APRIL 22, 2009

**FROM:** FIRE DEPARTMENT/FIRE ADMINISTRATION

**PRESENTATION BY:** MIKE MORGAN, FIRE CHIEF

**FOR FURTHER INFORMATION CONTACT:** MIKE MORGAN, FIRE CHIEF  
(714) 754-5106

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## **RECOMMENDATION:**

1. Per City Council direction, the Fire Department requests authorization to implement a motor vehicle accident Cost Recovery Program on July 1, 2009. This includes the approval of the fee schedule and a contract award to a third party billing company. Implementation of this program will result in estimated revenue of \$180,279.00 annually that will help offset the costs associated with the vital public safety services provided by the Fire Department for the protection and preservation of life, health, and property.
2. Adopt Resolution to implement the Costa Mesa Fire Department Cost Recovery Program (Attachment 2).

## **BACKGROUND:**

Vehicle accidents, especially those resulting in injuries, require significant time, may involve the use of sophisticated and costly rescue and extrication equipment, and often include fluid spills that must be remediated prior to a roadway being re-opened. On 4/14/09, City Council directed staff to prepare and return for approval a cost-recovery for motor vehicle accidents plan based on reimbursable expenses provided by policy, law, code and ordinance.

Everyone that owns and operates a motor vehicle in the United States is required, by law, to have at the very least liability coverage insurance. This insurance covers damages caused by the driver in the case of an automobile accident where that party is responsible. The California Vehicle Code Section 17300-17303 supports this requirement and allows fire departments to recover costs associated with personnel, scene remediation, and the replacement or repair of equipment and materials when responding to motor vehicle accidents.

The Fire Department will partner with a third party billing company. They will be responsible for the tracking, billing, and processing of reimbursable claims associated with motor vehicle accidents.

## **ANALYSIS:**

The cost recovery schedule was developed by the Fire Department and City representatives in accordance with State laws and regulations pertinent to vehicle accident cost recovery and includes costs for personnel, equipment and consumables used. The personnel rates were established by the finance department. Equipment rates are based on published FEMA and State of California Office of Emergency Services (OES) equipment recovery rates.

The cost recovery provider generally receives a fee of 14% for their services. This fee will be deducted from collected claims. Cost Recovery providers average a 98.5% collection rate for insured motorists. Reports on pending, received, balance-due, total by year, and running totals are accessible at all times by administrators.

## **ALTERNATIVES CONSIDERED:**

No alternatives were considered at this time

## **FISCAL REVIEW:**

Implementation of the Motor Vehicle Accident Cost Recovery Program will generate approximately \$180,279.00 per year in new revenue. Collected revenue is dependent on several factors such as number of incidents, duration of response, level of response, and factors related to revenue collection. Resources generated through implementation of this program will be deposited in to the City's General Fund and be available for appropriation for funding of the Fiscal Year 2009-2010 Operating and Capital Improvement Budget.

As mentioned, cost recovery includes personnel, apparatus and consumables used. Personnel costs are listed on the attached "User Fee and Charges" for the Fire Department, and are based on the number and rank of personnel who respond to the different categories of calls. For instance, a Motorcycle Accident requires the response of one (1) Paramedic Engine company consisting of one (1) Captain, one (1) Engineer, and two (2) Paramedics. The \$170.00 represents the cost of those individuals for one half hour.

### **Apparatus Cost**

Suburban/SUV	\$80.00
Pumper	\$95.00
Ladder Truck	\$145.00
Rescue (Light Air) Truck	\$125.00
Pickup	\$56.00

### **Consumables**

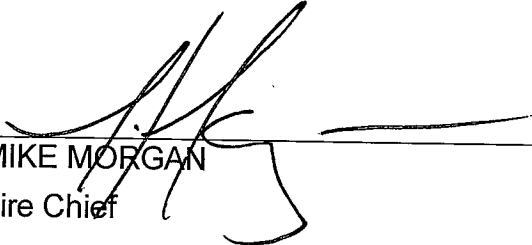
AmeriZorb	\$24.95
FM-186-2	\$17.96
HazMat Disposal	\$46.00

**LEGAL REVIEW:**

No legal review is required at this time. Should City Council approve the implementation of the proposed Fire department cost recovery program, a fee resolution and contract award to a third party billing company will be submitted as an agenda item at a future City Council meeting.

**CONCLUSION:**

Staff recommends that City Council approve the implementation of the cost recovery program beginning July 1, 2009 and the award of contract to a third party billing company.

  
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MIKE MORGAN  
Fire Chief

  
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MARC R. PUCKETT  
Director of Finance

Distribution: City Manager  
Deputy City Clerk  
Director of Finance  
Fire Chief  
Staff

ATTACHMENTS: 1 City of Costa Mesa User Fees and  
Charges – Vehicle Accident Fees  
2 Council Resolution

File Name: 050509\_FD\_Cost\_Recovery\_Staff\_Report Date 4/30/09

Time 8:30 a.m.

## Attachment 1

4.

All fees do not include cost of equipment, apparatus or consumables.

RESOLUTION NO. 09-XX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY  
OF COSTA MESA, CALIFORNIA, TO IMPLEMENT THE  
COSTA MESA FIRE DEPARTMENT COST RECOVERY  
PROGRAM

THE CITY COUNCIL OF THE CITY OF COSTA MESA HEREBY RESOLVES AS  
FOLLOWS:

WHEREAS, the California Vehicle Code Section 17300-17303 sets the legislative  
authority for municipalities to recover the associated costs of a Motor Vehicle Accident  
in California; and

WHEREAS, implementing a Motor Vehicle Accident Cost Recovery Program will  
generate projected revenues of \$180,279 annually that will help the City offset some of  
the many costs associated with the vital public safety services provided by the Fire  
Department for the protection and preservation of life, health, and property; and

WHEREAS, a third party contractor will provide the tracking, billing, processing  
and collecting of reimbursable claims associated with motor vehicle accidents within the  
city;

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Costa  
Mesa hereby approves the Fire Department to implement the Motor Vehicle Cost  
Recovery Program; and

RESOLVE that the City Council of the City of Costa Mesa award a contract to a  
third party billing company for the Cost Recovery Program.

PASSED AND ADOPTED this X day of X, 2009.

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Allan R. Mansoor, Mayor

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
Julie Folcik, City Clerk

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Kimberly Hall Barlow, City Attorney

STATE OF CALIFORNIA )  
COUNTY OF ORANGE ) ss  
CITY OF COSTA MESA )

I, JULIE FOLCIK, City Clerk of the City of Costa Mesa, DO HEREBY CERTIFY that the above and foregoing is the original of Resolution No. 09-XX and was duly passed and adopted by the City Council of the City of Costa Mesa at a regular meeting held on the XX<sup>th</sup> day of April, 2009, by the following roll call vote, to wit:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

IN WITNESS WHEREOF, I have hereby set my hand and affixed the seal of the City of Costa Mesa this XX<sup>th</sup> day of April, 2009.

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JULIE FOLCIK, CITY CLERK

(SEAL)